

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0331-02
Bill No.: SB 40
Subject: Education, Higher; Higher Education Department
Type: Original
Date: January 5, 2009

Bill Summary: This proposal modifies provisions of the Bright Flight Scholarship Program.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
General Revenue	(\$4,000)	(\$19,000)	(\$33,000)
Total Estimated Net Effect on General Revenue Fund	(\$4,000)	(\$19,000)	(\$33,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Missouri Department of Higher Education (MDHE)** assume section 173.250.4(4)(b) extends the period that students who enter the military immediately after high school or who leave college to serve in the military can defer their Bright Flight awards. Those students would potentially be able to receive awards. Several unknowns prevent the MDHE from being able to precisely estimate the impact of this bill, including the number of students who enter the military immediately after high school or leave college to serve in the military who would otherwise qualify for Bright Flight, whether such students would be in the top 3% or the top 5%, and the number of such students who would ultimately return to college within six months after leaving the military.

Based on all available data about the Bright Flight program, general patterns of deferral rates, and the number of times the MDHE receives calls from students who might benefit from the change described above, MDHE staff estimate that the changes described above would result in approximately 2 additional Bright Flight awards to students in the top 3% each year starting in FY 10. The MDHE assumes that students in the top 3% will receive \$2,000 awards in FY 10 and \$4,000 awards for FY 11 and each year thereafter. The MDHE assumes that starting in FY 11, students in the top 5% will begin receiving \$1,000 Bright Flight awards, and that the changes in this bill will result in an additional 3 students per year receiving awards in that range. The MDHE assumes that all students who receive Bright Flight awards because of the changes in this bill will maintain eligibility and receive awards for 4 years.

Score Range	FY10 3%	FY11 0 5%	FY11 3%	FY11 5%	FY12 3%	FY12 5%
Number of students who would be eligible for <u>initial</u> Bright Flight awards because of this bill	2	N/A	2	3	2	3
Number of students who would be eligible for <u>renewal</u> Bright Flight awards because of this bill	2	N/A	2	0	4	6
Total number of students	0	N/A	4	3	6	9
Award amount per student	\$2,000	N/A	\$4,000	\$1,000	\$4,000	\$1,000
Total awarded to eligible students	\$4,000	\$0	\$16,000	\$3,000	\$24,000	\$9,000

Finally, the MDHE assumes that it would not require additional staff to administer the Bright Flight program with these changes, but that it would be required to reprogram the software it uses to administer the Bright Flight program, which is called FAMOUS. The cost associated with the software reprogram is currently unknown.

Oversight assumes that the cost to reprogram the FAMOUS system could be absorbed within existing resources.

Officials at the **St. Louis Community College, Metropolitan Community College, Linn State Technical College, University of Central Missouri, University of Missouri, Missouri State University, Missouri Western State University** assume that there is no fiscal impact from this proposal.

Officials at the **Lincoln University** and **Missouri Southern State University** assume a possible modest fiscal impact from scholarship dollars awarded to eligible students.

Officials at the **St. Charles Community College** assume that expanding the Bright Flight Program rules could increase program participants by 1 or 2 students per semester. Assuming 15 credit hours per semester, the increase in revenue could be between \$2,400 and \$4,800.

<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
GENERAL REVENUE			
<u>Costs - Dept. of Higher Education</u>			
Increased Bright Flight Scholarships	<u>(\$4,000)</u>	<u>(\$19,000)</u>	<u>(\$33,000)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUNDS	<u>(\$4,000)</u>	<u>(\$19,000)</u>	<u>(\$33,000)</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

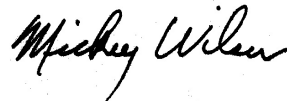
FISCAL DESCRIPTION

The proposed legislation appears to have a fiscal impact on the Bright Flight Program.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

St. Louis Community College
Linn State Technical College
Lincoln University
University of Central Missouri
University of Missouri
Missouri Southern State University
Missouri State University
Missouri Western State University
St. Charles Community College
Metropolitan Community College
Department of Higher Education



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Director
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